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OPEN MEETING AGENDA ITEM

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W-20380A-05-0490
SW-20579A-05-0989AZ CORP COMMISSION
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Dear Members of the Arizona Corporation Commission:

I am writing regarding the case involving Rhodes Homes and the Perkins Mountain Water Company in Mohave County, Arizona, Docket No. ~~W-20380A-05-0490~~ ~~SW-20579A-05-0989~~. I am a citizen of Mohave County and am deeply concerned about the impacts of the five master-planned communities totaling nearly 140,000 housing units proposed by Rhodes Homes of Las Vegas, Nevada upon our regional water supply.

As you are probably aware, all of these developments will be required to utilize aquifer water to supply their residents and businesses once built. The areas in which the developments are proposed are many miles from Colorado River water, which is in any case already completely allocated amongst other interests and would be prohibitively expensive to import even if it were available. Therefore groundwater is the sole option.

Since Mohave County is located outside of an Arizona Department of Water Resources-defined groundwater Active Management Area, development on these enormous projects can legally proceed even when water sufficiency is not proven. Whether this is appropriate or not is beyond the purview of my letter today, but I would most certainly like to address the Commissioners about whether Rhodes Homes and Perkins Mountain Water Company should be permitted to receive official authorization to operate from the ACC.

I specifically am referring to Commissioner Kristin Mayes' Feb 17, 2006 letter to her colleagues and other parties regarding the Docket noted above. In said letter, Ms. Mayes brings up her concerns regarding Rhodes' *modus operandi* and behavior in recent months. Most specifically, she addresses Rhodes secrecy and failure to inform the ACC, the Mohave County Board of Supervisors, and other important parties involved with the approval process of a vital letter from ADWR stating that water supplies for the 32,000-unit Golden Valley South project were inadequate to support the full development as requested by Rhodes.

Ms. Mayes then goes on to urge that instead of the Recommended Opinion and Order action of a conditional Certificate of Convenience and Necessity being issued to Rhodes/Perkins, the matter be sent back to a hearing. I fully support this initial course of action, and it is my understanding that this is what has been done as reported in the Kingman Daily Miner on Wednesday, March 1, 2006.

Additionally, Ms. Mayes has said as reported in the Miner article that she would rather issue Rhodes a stricter Order Preliminary than the less-restrictive CC&N. Indications are that one of the conditions that would need to met by Rhodes/Perkins in this event would be that they be required to prove adequate water supplies in conjunction with ADWR before building can commence. I believe that this, too, is the very minimum that should be done in this case. However, I believe that a Denial would be even more appropriate given the circumstances.

Rhodes Homes has engaged in a very serious violation of trust and subversion of the democratic process by being so furtive and secretive in its dealings with the aforementioned entities of the ACC and the Mohave County Board of Supervisors. Public opposition to overdevelopment and aquifer depletion at local BOS meetings has been sustained and intensive from many quarters, and much of it has centered on Rhodes and the five master-planned communities. Rhodes' deliberately compressed submission schedule and tardy timing of matters that could affect his potential approval or public image seems designed to obfuscate legitimate opposition to, questioning of, and public oversight of his plans.

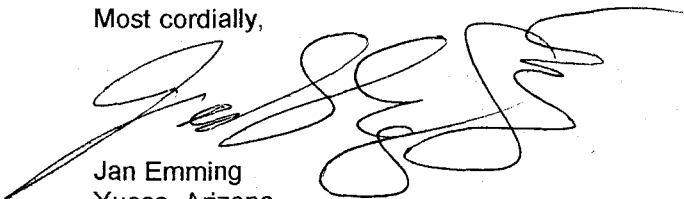
If the October letter of water insufficiency from ADWR was indeed in Rhodes' possession at the December 5 and 29, 2005 BOS meetings, perhaps initial approval and rezoning for these high-

impact, high-density projects in the 2005 Mohave County General Plan would have been more conditional than it was. Rhodes owes many people and public entities a reasonable and official explanation for withholding this critical piece of information. Commissioner Mayes indicates correctly that this is something that should be asked of them.

In light of the potential and likely impacts upon unrenewable subsurface water supplies that hundreds of thousands of new users in all five projects would create, it seems very minimal to require that water adequacy studies be done before the issuance of permits and certificates that would allow such developments to occur. If the Arizona Corporation Commission can fill the void in certain instances left by the lack of legal power for ADWR to control such matters in non-AMA areas, then this is a noble and critical function of the Commissioners. Tens of thousands of current and existing aquifer users in Mohave County will appreciate your careful consideration of this matter.

I thank the Members of the Arizona Corporation Commission for their careful reflection in this serious matter affecting a great number of Mohave County residents.

Most cordially,



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